

Internal Revenue Service
memorandum

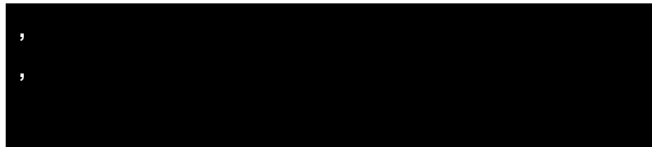
date: APR 10 1991

to: Director, Internal Revenue Service Center
Kansas City, MO
Attn: Entity Control

from: Technical Assistant
Employee Benefits and Exempt Organizations

subject: CC:EE:3 - TR-45-102-91
Railroad Retirement Tax Act Status

Attached for your information and appropriate action is a copy of a letter dated January 16, 1991 from the Railroad Retirement Board concerning the status under the Railroad Retirement Act and the Railroad Unemployment Tax Act of:



We have reviewed the opinion of the Railroad Retirement Board and, based solely upon the information submitted, concur in the conclusion reached by the Board that [REDACTED] is not an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts.

(Signed) Ronald L. Moore

RONALD L. MOORE

Attachment:
Copy of letter from Railroad Retirement Board

cc: Mr. Gary Kuper
Internal Revenue Service
200 South Hanley
Clayton, MO 63105

08635

UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 RUSH STREET
CHICAGO, ILLINOIS 60611

RECEIVED

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EXEMPT
ORGANIZATION

BUREAU OF LAW

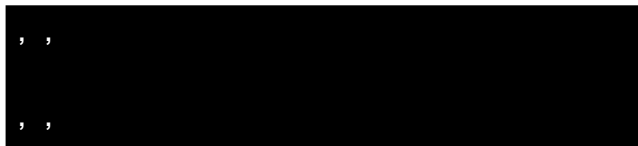
Assistant Chief Counsel
(Employee Benefits and
Exempt Organizations)
Internal Revenue Service
1111 Constitution Avenue., N.W.
Washington, D.C. 20224

JAN 17 1991

Attention: CC:IND:1:3

Dear Sir:

In accordance with the coordination procedure established between the Internal Revenue Service and this Board, I am enclosing for your information a copy of an opinion in which I have expressed my determination as to the status under the Railroad Retirement and Railroad Unemployment Insurance Acts of the following:



Sincerely yours,

A handwritten signature in cursive script.

Steven A. Bartholow
Deputy General Counsel

Enclosure

UNITED STATES GOVERNMENT

RAILROAD RETIREMENT BOARD

MEMORANDUM

JAN 16 1991

TO: Director of Research and Employment Accounts

FROM: Deputy General Counsel

SUBJECT: [REDACTED] - Employer Status

This is in response to your two Form G-215's dated November 21, 1990, wherein you ask for a determination as to whether or not the above-captioned companies are employers under the Railroad Retirement and Railroad Unemployment Insurance Acts. The employer status of these companies has not previously been considered. For the reasons stated below, it is my opinion that neither of these companies is an employer covered under the Acts.

[REDACTED] is the name given a group of privately held companies involved in the transportation industry.

According to a letter dated [REDACTED] from [REDACTED], a corporate officer of several of these companies, the current [REDACTED], their date of incorporation, and their principal business activities are as set forth below:

<u>"Name</u>	<u>Date of Incorporation</u>	<u>Brief Description of Business</u>
[REDACTED]	[REDACTED]	Ultimate parent. No active operations.
[REDACTED]	[REDACTED]	Holding corporation. No active operations.
[REDACTED]	[REDACTED]	Owns, leases and manages railcars and other equipment; Provides lease financing to railcar and equipment users; Contracts with third parties (including [REDACTED] for railcar and equipment purchases.
[REDACTED]	[REDACTED]	Railcar builder. Separately responded to Railroad Retirement Board on [REDACTED].

Director of Research and Employment Accounts

[REDACTED]	[REDACTED]	Finances small portfolio of equipment lease transactions.
[REDACTED]	[REDACTED]	Purchases or otherwise acquires used railcars; Contracts with third parties (including [REDACTED]) for repairs and refurbishing; Sells and leases repaired or refurbished cars.
[REDACTED]	[REDACTED]	Coordinates marketing activities for intermodal railcars.
[REDACTED]	[REDACTED]	Syndicates and manages investments in equipment by institutional investors. Developing new equipment for intermodal transportation of automobiles; No active operations to date."

[REDACTED] further stated that [REDACTED] is a member of the [REDACTED].

Although [REDACTED] of the railcar-related business of the [REDACTED] and [REDACTED] are with the railroad industry in general, none of their employees report to or receive orders from employees of any railroad, and none of the work which their employees perform is inspected on a regular basis by employees of any railroad. No company other than [REDACTED], as noted above, is affiliated with any railroad or railroad association. From the description of their activities, it is apparent that in buying, selling, leasing, manufacturing and repairing railcars the [REDACTED] and [REDACTED] are performing a service in connection with transportation of passengers by rail. However, since they are not carriers by rail, in order to be an employer covered under the Acts these companies must also be owned or controlled by or under common control with a carrier under the Acts. See section 1(a)(1) of the RRA (45 U.S.C. § 231(a)(1)) and section 1(a) of the RUIA (45 U.S.C. § 351(a)(1)).

Based on the evidence developed in this case, including an organizational chart furnished as an attachment to [REDACTED]'s letter, it is clear that these companies are not owned, controlled

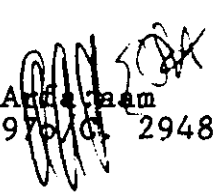
Director of Research and Employment Accounts

by or under common control with any rail carrier. They are small, closely held companies, none of whose owners are connected to a rail carrier. They submit bids for work to many railroads. If they are hired, they negotiate an individual contract for the particular job.

Based on the foregoing, I conclude that the [REDACTED] and [REDACTED] are not employers under the Acts administered by the Board.

Appropriate Forms G-215 are attached.


Steven A. Bartholow


AAAdm
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